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May 11, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Application of Duke Energy Carolinas, LLC for Approval of Demand-Side Management and Energy Efficiency Rider 12, Increasing Residential Rates and Decreasing Non-Residential Rates
Docket No. 2020-83-E

Dear Ms. Boyd:

On March 2, 2020, in the above-referenced proceeding, Duke Energy Carolinas, LLC ("DEC" or the "Company") filed an Application for Approval of Demand-Side Management and Energy Efficiency Rider 12, Increasing Residential Rates and Decreasing Non-Residential Rates ("Application"). The Application included a series of exhibits that contain supporting calculations used to determine the billing factors and the revenue requirements for Rider 12. DEC has since discovered three errors that require it to amend certain exhibits, which are enumerated in Attachment A. These amendments reduce rates for customers, as described in more detail below. The Company also requests a one-week extension for intervenor comments.

First, the Company determined that there were small errors to the Neighborhood Energy Saver Evaluation, Measurement and Validation report. Correcting these errors resulted in changes to the lost revenue figures applicable to Year 2018, Year 2019, and Year 2021.

Second, the Company determined that Year 2016 was inadvertently omitted from the Application. Pursuant to Order No. 2013-889, the Company is permitted to collect lost revenues resulting from energy efficiency programs for 36 months. Lost revenue is recorded as participation occurs, which means that some participation occurring in the second half of the vintage will roll into the start of a 4th year as part of the 36 months. For vintage 2016, some lost revenue extends into 2019, which was reflected as an estimate in Rider 11 (carried forward from Rider 10). However, rates for that vintage were inadvertently not updated. In addition, although Year 2019 was initially projected to include a 100% collection of lost revenue, subsequent to the initial projection, the Company concluded a rate case in Docket No. 2018-319-E, which absorbed these lost revenues effective May 31, 2019. Therefore, the Company has made two adjustments to lost revenue for Year 2016: one to update the 2019 lost



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revenue rate with actual rates in effect and the other to remove lost revenues earned after May 31, 2019.

Third, the Company discovered that certain corrections to the 2018 program cost audit that were entered into the general ledger in 2019 had not been removed. This results in a reduction of program cost expenses in the amount of \$266,428, and an increase of PPI (Program Performance Incentives) in the amount of \$30,707.

For residential customers, the total of these three amendments reduce the proposed Rider 12 revenue requirement from \$46,217,724 to \$45,335,574, reducing the Rider from 0.7011 cents/kWh to 0.6878 cents/kWh. For non-residential customers, these amendments reduce the proposed Rider 12 revenue requirement from \$32,452,445 to \$31,708,422. The amendments introduce a true-up credit for Year 2016 EE participants of 0.0162 cents/kWh as well as an adjustment to Year 2019 of 0.0001 cents/kWh. The amendments to the individual bill factors are shown in Attachment B.

In light of these corrections to the Rider 12 filing, the Company would request a one-week extension for intervenor comments from May 15, 2020 to May 22, 2020. The Office of Regulatory Staff supports the comment due date extension, and no party has objected to this request.

Kind regards,

Sam Wellborn

Enclosures

cc w/enc: Parties of Record (via email)
Heather Shirley Smith, Deputy General Counsel (via email)
Rebecca J. Dulin, Associate General Counsel (via email)

Rider 12 Exhibit Updates

Exhibit	Title	Status
Exhibit A	Summary for Rider EE Exhibits and Factors	Amended
Exhibit B	Tariff Sheet	Amended
Year 2016 Exhibit 1	True-up of Year 1, 2, 3 and 4 Lost Revenues Applicable to Residential and Non-Residential Customers	New
Year 2017 Exhibit 1	True-up of Year 1, 2 and 3 Lost Revenues Applicable to Residential and Non-Residential Customers	Unchanged
Year 2017 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2017	Unchanged
Year 2017 Exhibit 3	Allocation Factors, Year 2017	Unchanged
Year 2018 Exhibit 1	True-up of Shared Savings and Year 1 and 2 Lost Revenues; Estimate of Year 4 Lost Revenues Applicable to Residential and Non-Residential Customers	Amended
Year 2018 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2018	Unchanged
Year 2018 Exhibit 3	Allocation Factors, Year 2018	Unchanged
Year 2019 Exhibit 1	True up of Shared Savings, Program Costs and Year 1 Lost Revenues; Estimate of Year 3 Lost Revenue	Amended
Year 2019 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2019	Amended
Year 2019 Exhibit 3	Actual Existing DSM Program Costs – Year 2019	Unchanged
Year 2019 Exhibit 4	Allocation Factors, Year 2019	Unchanged
Year 2019 Exhibit 5	Actual Program Costs – Year 2019	Amended
Year 2019 Exhibit 6	Changes from Rider 10 Due to Application of M&V and Participation	Unchanged
Year 2020 Exhibit 1	Estimate of Year 2 Lost Revenues	Unchanged
Year 2021 Exhibit 1, page 1	Estimated Annual Rider Applicable to Residential Customers	Amended
Year 2021 Exhibit 1, page 2	Estimated Annual Riders Applicable to Non-Residential Customers	Unchanged
Year 2021 Exhibit 2	Load Impacts and Estimated Revenue Requirements for Program Year 2021	Unchanged
Year 2021, Exhibit 3	Allocation Factor Estimate for 2021	Unchanged
Rider 12 Exhibit 1, Page 1	Lost Revenues Summary – Year 2017	Unchanged
Rider 12 Exhibit 1, Page 2	Lost Revenues Summary – Year 2018	Amended
Rider 12 Exhibit 1, Page 3	Lost Revenues Summary – Year 2019	Amended
Rider 12 Exhibit 1, Page 4	Lost Revenues Summary – Year 2020	Unchanged

Rider 12 Exhibit 1, Page 5	Lost Revenues Summary – Year 2021	Amended
Rider 12 Exhibit 1, Page 6	Lost Revenues Summary – Year 2016	New
Rider 12 Exhibit 2	DSM/EE Revenues Collected from Riders (By Year & Vintage)	Amended
Rider 12 Exhibit 3, page 1	Forecasted kWh Sales for Rate Period (Years 2017-2021)	Amended
Rider 12 Exhibit 3, page 2	Forecasted kWh Net Metering Impacts for Year 2021	Unchanged
Rider 12 Exhibit 4, Page 1	Residential Interest Calculation – Years 2017-2018	Amended
Rider 12 Exhibit 4, Page 2	Residential Interest Calculation – Year 2019	Amended
Rider 12 Exhibit 4, Page 3	Non-Residential Interest Calculation – Year 2017	Unchanged
Rider 12 Exhibit 4, Page 4	Non-Residential Interest Calculation – Year 2018	Unchanged
Rider 12 Exhibit 4, page 5	Non-Residential Interest Calculation – Year 2019	Amended
Rider 12 Exhibit 4, page 6	Non-Residential Interest Calculation – Year 2016	New
Rider 12 Exhibit 5	Evaluation, Measurement and Verification Report	Unchanged
Rider 12 Exhibit 6	Description and Evaluation of EE and DSM Programs for 2019	Unchanged
Rider 12 Exhibit 7	Vintage Years, 2017, 2018, 2019 and 2020 Non-Residential Opt-Out Data	Unchanged

Rider 12 Billing Factor Updates**Residential Billing Factors (cents/kWh)**

	Original	Amended	Difference
True-up Component for Years 2016, 2017, 2018 and 2019	0.1311	0.1179	(0.0132)
Prospective Component for Vintage Years 2018-2021	0.5700	0.5699	(0.0001)
Residential Rider 12 (Total)	0.7011	0.6878	(0.0133)

Non-Residential Billing Factors (cents/kWh)

	Original	Amended	Difference
Year 2016 EE Participant - True up	-	(0.0162)	(0.0162)
Year 2016 DSM Participant - True up	-	(0.0000)	(0.0000)
Year 2017 EE Participant - True up	(0.0126)	(0.0126)	-
Year 2017 DSM Participant - True up	0.0009	0.0009	-
Year 2018 EE Participant - True up	0.0185	0.0185	-
Year 2018 DSM Participant - True up	(0.0015)	(0.0015)	-
Year 2019 EE Participant - True up	(0.1379)	(0.1378)	0.0001
Year 2019 DSM Participant - True up	0.0032	0.0032	-
Year 2018 EE Participant - Prospective	0.0452	0.0452	-
Year 2019 EE Participant - Prospective	0.0815	0.0815	-
Year 2020 EE Participant - Prospective	0.0753	0.0753	-
Year 2021 EE Participant - Prospective	0.4565	0.4565	-
Year 2021 DSM Participant - Prospective	0.1658	0.1658	-